



**Federal Energy Regulatory Commission**  
**May 15, 2008**  
**Open Commission Meeting**  
**Discussion Items E-1, E-2, E-3, E-4, E-5 and E-6**

"Good morning, Mr. Chairman and Commissioners. A central element of the Commission's open access transmission tariff reforms in Order No. 890 was its decision to direct transmission providers to develop a coordinated, open and transparent transmission planning process. Each transmission provider was required to add a new attachment to its Open Access Transmission Tariff (OATT) that contained a planning process that satisfies nine principles set forth in Order No. 890. The nine planning principles are: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission also directed transmission providers to address the recovery of planning-related costs.

E-1 – E-6 on today's electric agenda are 6 draft orders addressing transmission planning compliance filings submitted pursuant to Order No. 890. These filings include those made by 3 regional transmission organizations: (1) ISO New England; (2) PJM Interconnection, LLC; and (3) Midwest Independent Transmission System Operator, Inc. or Midwest ISO. A fourth consists of a joint filing made by Midwest ISO and American Transmission Company that addresses American Transmission Company's local transmission planning. Two other filings made by stand-alone transmission companies are also addressed: namely, MidAmerican Energy Company and Maine Public Service Company. The draft orders accept each entity's transmission planning process, subject to further modification.

The draft orders conditionally accept the proposals but require further compliance filings, primarily with regard to regional and local planning principles. For example, both Midwest ISO and PJM were directed to make compliance filings providing for further transparency with regard to the planning conducted by their transmission-owning members, including, in the case of Midwest ISO, further explanation of how the separate local planning process by American Transmission Company will be integrated with the regional planning conducted by Midwest ISO. Midwest ISO was also required to provide greater specificity with regard to its interregional planning. ISO New England, whose transmission owners are found generally to comply with Order No. 890's planning requirements, was nevertheless directed to make a compliance filing ensuring that its needs assessment on the regional level is coordinated with the local planning conducted by its transmission owners. MidAmerican Energy Company was required to make a compliance filing providing further specificity with regard to its coordination with Midwest ISO, as well as to its auction-based subscription rights cost allocation proposal. Finally, Maine Public Service was required to further explain its "beneficiaries pays" cost allocation approach.

The new Attachment Ks accepted in the draft orders provide greater specificity to transmission customers and other stakeholders regarding the transmission planning process, and ensure that those customers and stakeholders will have a forum to voice concerns and provide input at an early stage in transmission planning. They also ensure that transmission planning is coordinated among transmission providers and regions. In these draft orders, the Commission notes that staff will periodically monitor the implementation of the planning processes to determine if adjustments are necessary and will inform transmission providers and the Commission of any such recommendations. The draft orders also note that the Commission will convene regional technical conferences beginning in 2009 to determine the progress and benefits realized by each transmission

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provider's transmission planning process, obtain customer and other stakeholder input, and discuss any areas which may need improvement.

This concludes Staff's presentation. We would be happy to answer any questions."